

51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

BRS Resources Ltd. (the “**Company**”)
308 – 1441 Johnston Road
White Rock, BC V4B 3Z7

Item 2 Date of Material Change

January 25, 2024.

Item 3 News Release

The news release dated January 25, 2024 was disseminated through Market News and Stockwatch on January 25, 2024.

Item 4 Summary of Material Change

The Company announced the closing of the second tranche of its previously announced a non-brokered private placement (the “**Offering**”) of up to 7,166,666 units (each, a “**Unit**”) at a price of \$0.15 per Unit for gross proceeds of up to \$1,075,000. The Company raised \$300,000 pursuant to the first tranche of the Offering which closed on January 9, 2024 and raised \$775,000 pursuant to the second tranche of the Offering which closed on January 25, 2024.

Each Unit consists of one common share of the Company (each, a “**Share**”) and one Share purchase warrant (each, a “**Warrant**”), with each Warrant entitling the holder to purchase one Share at a price of \$0.15 per Share for a period of three years following the closing of the Offering.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The Company raised \$775,000 pursuant to the second tranche of the Offering.

Each Unit consists of one Share and one Warrant, with each Warrant entitling the holder to purchase one Share at a price of \$0.15 per Share for a period of three years following the closing of the Offering.

All proceeds from the Offering will be used for working capital purposes.

All securities issued in connection with the Offering are subject to a statutory hold period expiring four months and one day after closing of the Offering.

Certain insiders participated in the second tranche of the Offering and their subscriptions constitute related party transactions under Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). Black Diamond Offshore Ltd. (“**Black Diamond**”) and Double Black Diamond Offshore Ltd. (“**Double Black Diamond**” and, together with Black Diamond, the “**Investors**”) collectively acquired for 5,000,000 Units for \$750,000.

These subscriptions are exempt from the formal valuation requirement of MI 61-101 by virtue of the exemption contained in section 5.5(b) of MI 61-101 as the Shares are not listed on a specified market and

from the minority shareholder approval requirements of MI 61-101 by virtue of the exemption contained in section 5.7(1)(b) of MI 61-101 on the basis that (i) no securities of the Company are listed or quoted on any of the markets specified in Section 5.5(b) of MI 61-101 and (ii) the fair market value of the securities issued to related parties pursuant to the Offering does not exceed \$2,500,000, and (iii) at least two-thirds of the Company's independent directors have approved the transaction. The Company did not file a material change report 21 days prior to the closing of the Offering because the terms of the Offering had not been settled at that time.

In connection with the Offering, the Investors were granted certain board representation, approval and information rights pursuant to a board representation agreement dated January 25, 2024 (the "**Board Representation Agreement**"). The Investors are entitled to nominate (i) three directors to the board of directors of the Company (the "**Board**") for so long as the Investors (together with their affiliates) beneficially own in the aggregate 36% or more of the issued and outstanding shares of the Company; (ii) two directors for so long as the Investors beneficially own in the aggregate at least 20% but less than 36% of the issued and outstanding shares of the Company; and (iii) zero directors if the Investors (together with their affiliates) own less than 20% of the issued and outstanding shares, in each case calculated on a partially diluted basis assuming the conversion of any Warrants or other convertible securities of the Company held by the Investors or their affiliates. Except for Steve Moore (a current director of the Company), the Investors have not identified any nominees at this time, and the Board composition has not changed. At such time as the Investors make their additional appointments to the Board, Cyrus Driver intends to resign as a director of the Company and the size of the Board is expected to be increased to five directors in order to accommodate such appointments. For further information on the terms and conditions of the Board Representation Agreement, please refer to the copy of the Board Representation Agreement which has been filed under the Company's profile on SEDAR+.

None of the securities sold in connection with the Offering will be registered under the United States Securities Act of 1933, as amended, and no such securities may be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This news release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Disclosure Required by MI 61-101

Pursuant to MI 61-101, the Offering constituted a "related party transaction" as certain insiders, being the Investors, participated in the Offering.

The following supplementary information is provided in accordance with Section 5.2 of MI 61-101.

(a) *a description of the transaction and its material terms:*

See Item 5.1 above for a description of the Offering.

(b) *the purpose and business reasons for the transaction:*

The purpose of the Offering is to raise funds for general working capital.

(c) *the anticipated effect of the transaction on the issuer's business and affairs:*

The Company does not anticipate any material effect on the Company's business and affairs.

(d) a description of:

(i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:

The Investors collectively acquired for 5,000,000 Units for \$750,000.

(ii) the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:

The following table sets out the effect of the Offering on the percentage of securities of the Company beneficially owned or controlled by each of the Investors and Double Black Diamond L.P. (“**Double Black Diamond LP**”), an affiliate of the Investors:

Name and Position	Dollar Amount of Offering	Number of Securities to be Issued	No. of Securities Held prior to Closing of the Offering	Percentage of Issued and Outstanding Securities prior to Closing of the Offering	No. of Securities Held After Closing of the Offering	Percentage of Issued and Outstanding Securities After Closing of the Offering
Black Diamond Offshore Ltd. ⁽¹⁾ Shareholder	\$9,253.65	61,691	Undiluted: 110,000 Diluted: 110,000	Undiluted: 0.45% ⁽²⁾ Diluted: 0.45% ⁽²⁾	Undiluted: 171,691 Diluted: 233,382 ⁽³⁾	Undiluted: 0.57% ⁽⁴⁾ Diluted: 0.78% ⁽⁵⁾
Double Black Diamond Offshore Ltd. ⁽¹⁾ Shareholder	\$740,746.35	4,938,309	Undiluted: 1,890,000 Diluted: 1,890,000	Undiluted: 7.70% ⁽²⁾ Diluted: 7.70% ⁽²⁾	Undiluted: 6,828,309 Diluted: 11,766,618 ⁽⁶⁾	Undiluted: 22.97% ⁽⁴⁾ Diluted: 33.95% ⁽⁷⁾
Double Black Diamond L.P. ⁽¹⁾ Shareholder	-	-	Undiluted: 6,915,417 Diluted: 6,915,417	Undiluted: 28.16% ⁽²⁾ Diluted: 28.16% ⁽²⁾	Undiluted: 6,915,417 Diluted: 6,915,417	Undiluted: 23.27% ⁽⁴⁾ Diluted: 23.27% ⁽⁴⁾

⁽¹⁾ Black Diamond, Double Black Diamond and Double Black Diamond LP, are actively managed by Carlson Capital, L.P., as investment manager.

⁽²⁾ Based on 24,554,618 Shares outstanding prior to the completion of the second tranche of the Offering.

⁽³⁾ Comprised of: (i) 171,691 Shares and (ii) 61,691 Warrants, each of which is exercisable into one Share, exercisable at a price of \$0.15 per Share until January 25, 2027.

⁽⁴⁾ Based on 29,721,284 Shares outstanding following the completion of the Offering.

⁽⁵⁾ Based on 29,782,975 Shares outstanding on a partially-diluted basis following the completion of the Offering, comprised of: (i) 29,721,284 Shares outstanding after the completion of the Offering and (ii) 61,691 Shares that may be issued upon due exercise of Warrants.

⁽⁶⁾ Comprised of: (i) 6,828,309 Shares and (ii) 4,938,309 Warrants, each of which is exercisable into one Share, exercisable at a price of \$0.15 per Share until January 25, 2027.

⁽⁷⁾ Based on 34,659,593 Shares outstanding on a partially-diluted basis following the completion of the Offering, comprised of: (i) 29,721,284 Shares outstanding after the completion of the Offering and (ii) 4,938,309 Shares that may be issued upon due exercise of Warrants.

- (e) *unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:*

A special committee was not established in connection with the approval of the Offering, and no materially contrary view or abstention was expressed or made by any director.

- (f) *a summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:*

Not applicable.

- (g) *disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that related to the subject matter of or is otherwise relevant to the transaction:*

- (i) *that has been made in the 24 months before the date of the material change report:*

Not applicable.

- (ii) *the existence of which is known, after reasonable enquiry, to the issuer or to any director or officer of the issuer:*

Not applicable.

- (h) *the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:*

The Company entered into a subscription agreement with each of Black Diamond and Double Black Diamond, whereby the Company agreed to issue 61,691 Units to Black Diamond for gross proceeds of \$9,253.65 and 4,938,309 Units to Double Black Diamond for gross proceeds of \$740,746.35, respectively.

The Company and the Investors entered into the Board Representation Agreement, whereby the Investors were granted certain board representation, approval and information rights. The Investors are entitled to nominate (i) three directors to the Board for so long as the Investors (together with their affiliates) beneficially own in the aggregate 36% or more of the issued and outstanding shares of the Company; (ii) two directors for so long as the Investors beneficially own in the aggregate at least 20% but less than 36% of the issued and outstanding shares of the Company; and (iii) zero directors if the Investors (together with their affiliates) own less than 20% of the issued and outstanding shares, in each case calculated on a partially diluted basis assuming the conversion of any Warrants or other convertible securities of the Company held by the Investors or their affiliates.

- (i) *disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:*

These subscriptions are exempt from the formal valuation requirement of MI 61-101 by virtue of the exemption contained in section 5.5(b) of MI 61-101 as the Shares are not listed on a specified market and from the minority shareholder approval requirements of MI 61-101 by virtue of the exemption contained in section 5.7(1)(b) of MI 61-101 on the basis that (i) no securities of the Company are listed or quoted on any of the markets specified in Section 5.5(b) of MI 61-101 and (ii) the fair market value

of the securities issued to related parties pursuant to the Offering does not exceed \$2,500,000, and (iii) at least two-thirds of the Company's independent directors have approved the transaction.

As this material change report is being filed less than 21 days before the closing of the Offering, there is a requirement under MI 61-101 to explain why the shorter period is reasonable or necessary in the circumstances. The Company did not file a material change report 21 days prior to the closing of the Offering because the terms of the Offering had not been settled at that time.

5.2 Disclosure for Restructuring Transactions

N/A

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

N/A

Item 7 Omitted Information

None

Item 8 Executive Officer

Byron Coulthard, CEO and director, 604.657.7004

Item 9 Date of Report

February 1, 2024